



Transformation of Navy Field Contracting

*Brief to DOD Procurement Conference
26 May 2004*

Ready. Resourceful. Responsive!

Naval Transformation

Alignment of Field Contracting to support Sea Power 21

SEA POWER 21 - *"It will align our efforts, accelerate our progress, and realize the potential of our people."*

Sea Shield

Sea Trial

Sea Warrior

Sea Enterprise

ForceNet

Sea Strike

Sea Basing

Sea Enterprise - *"Identify and Harvest" Savings for Reinvestment in Enhanced Capabilities*

NAVSUP is looking at ways to better structure and align the organization to most effectively and efficiently deliver combat capability through logistics to the Navy.

Contracting Goal - Transform from transactional based contracting to strategic customer and supplier management



Customer Alignment

NAVAL SUPPLY SYSTEMS COMMAND HEADQUARTERS

Customer

Lead Contracting Office

Maritime Industrial Support



Fleet and Industrial Supply
Center (FISC) Norfolk

Aviation Industrial Support



FISC Jacksonville

Major Acquisition Support



Naval Inventory Control Point

Navy Family Services Support



FISC Norfolk

Regional Commander Support



FISC San Diego

Operational Commander Support



FISC Norfolk

Operating Forces Support



FISC Norfolk/FISC San Diego

17% Reduction in Contracting Resources



NAVAL SUPPLY SYSTEMS COMMAND HEADQUARTERS

NAVSUP Transformation Process Alignment

◆ Transformation objectives:

- ◆ *Maintain ability to accomplish mission*
- ◆ *Seek opportunities to improve processes*
- ◆ *Reduce Costs through efficiencies*



◆ Major strategic elements:

- ◆ *Create a coordinated and focused contracting network*
- ◆ *Reduce number of transactions*
- ◆ *Leverage buying power*
- ◆ *Improve use of ebusiness*
- ◆ *Optimize use of specialized contracting expertise*

Contracting Community Management Plan:

◆ Employee Development -

- ◆ *Identification of Skills and Competences*
- ◆ *Assessment of Capabilities*
- ◆ *Individual Development Plans*

◆ Workforce Planning -

- ◆ *Impact of Aging Workforce*
- ◆ *Identification of Critical Positions*
- ◆ *Succession Planning*



NAVAL SUPPLY SYSTEMS COMMAND HEADQUARTERS

Current Transformation Initiatives

- ***Performance Based Logistics***
 - ***Major Weapon System/Depot/Industry Alignment***
- ***Commander, Naval Installations***
 - ***Single Navy Manager for Navy Shore Installations***
- ***Virtual Systems Command***
 - ***Four major Systems Commands combining expertise***
 - ***NAVSUP – Supply Chain Management Responsibility***
- ***Regional Maintenance Center***
 - ***Single Ships' Maintenance Manager***

➤ **Products and Services**

- ✓ *Alignment of contracting processes/costs to products and services*
- ✓ *Quantifying value to customer*

➤ **Development of Business Systems**

- ✓ *Integrated Order Fulfillment Process*
- ✓ *Aggregate and Exploit Business Intelligence*

➤ **DOD/Navy Services Consolidation Pilot**

Transforming to....

Efficient *customer focused contracting...*